



NEWS

State of Delaware
Department of Finance
Division of Revenue
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PROJECT BLUE HEN TO ENFORCE HIGHER CIGARETTE TAX

Statewide – August 9, 2007 – In an ongoing effort to enforce state cigarette tax laws, Delaware's Project Blue Hen is gearing up to investigate more cigarette tax violations now that Delaware's cigarette tax increased 60 cents on August 1st.

To date, ongoing investigations and intelligence collected indicate that cigarette tax violations, including trafficking and counterfeiting, is a problem in Delaware and has resulted in the seizure of an increasing number of untaxed cigarettes, including counterfeit cigarettes.

Delaware's higher cigarette tax – raised to \$1.15 per pack earlier this month – will strengthen the incentive to travel to lower-tax states in order to purchase cigarettes, says Division of Revenue Director Patrick Carter.

Maryland currently levies a \$1.00 tax on cigarettes, while Virginia customers pay 30 cents per pack. Pennsylvania and New Jersey cigarette taxes are higher at \$1.35 and \$2.75 per pack, respectively.

Under Delaware law, it is a crime to possess ten (10) or more packs of cigarettes without a Delaware tax stamp. In such instances the person in possession of the cigarettes is subject to a \$1,000.00 fine and/or arrest and the cigarettes may be seized.

Project Blue Hen targets persons traveling across state lines to purchase cigarettes, as well as the sale of untaxed cigarettes, such as packs containing counterfeit cigarette stamps from licensed retailers or from over the Internet.

Project Blue Hen began in 2006. The group is comprised of federal and state law enforcement agents from the Bureau of Alcohol, Tobacco, Firearms & Explosives (ATF), the state Bureau of Alcohol & Tobacco Enforcement (ATE), the Delaware River & Bay Authority Police, the State of New Jersey Office of Criminal Investigation, and the Delaware Division of Revenue's Criminal Investigation Unit.

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